



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Bruce Gates, Treasurer
Committee for the Preservation of Capitalism
Post Office Box 22614
Alexandria, VA 22304

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Reference: August Monthly (7/1/01-7/31/01)

Dear Mr. Gates:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule B supporting Line (21(b)) of your report discloses a payment(s) to another political committee(s) for goods and/or services provided by that committee(s). 11 CFR §100.7(a)(1)(iii)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel, membership lists and mailing lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecework charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(1)(iii)(B)

Please clarify whether your committee was assessed the usual and normal charge for the goods and/or services you received and explain the steps the political committee(s) took in determining the amount(s) charged to you. If your committee was provided the goods and/or services at less than the usual and normal charge, the difference between the two is considered to be an in-kind contribution by the political committee(s) to your committee and